

To the Members of the California State Assembly:

I am returning Assembly Bill 2697 without my signature.

While I support greater transparency in hospital financing and quality indicators, this bill represents an effort to undermine our current competitive market-based health care system. Requiring “boutique” hospitals to conduct an impact study on surrounding hospitals before commencing operations is anticompetitive and may result in patients having fewer choices when they seek effective, specialized care in their community. Furthermore, a great deal of this data is already collected and available through the Office of Statewide Health Planning and Development.

For these reasons, I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger